

March 10, 2011

RE: HB 590

Chairman McNutt and Members of the House Appropriations Committee,

Employee Benefit Management Services, Inc., (EBMS) is a third party claims administrator for self-funded, employer group health plans. We appreciate the opportunity to offer written testimony to the members of the House Appropriations Committee and urge all committee members to vote "no" on HB 590 for the development of a uniform statewide health plan for K-12 school districts.

HB 590 is tantamount to an unfunded mandate on the State, the Districts, and the taxpayers. The passage of HB 590 will only add to the financial burden on the State and Districts. There is no feasible way, given the need to comply with the Patient Protection and Affordable Care Act (PPACA) mandates, to predict the cost of HB 590. PPACA mandates alone are expected to drive up the costs of health insurance for the individual school districts. Most school districts have until July 1, 2011 before they are required to be compliant with some provisions of PPACA. With no experience of what the PPACA mandates will actually cost the Districts, it is impossible to predict with any accuracy what a statewide K-12 health plan would cost – additional costs that would be borne by the State, the Districts, and ultimately the taxpayers.

Thank you for your time and your service.

Sincerely,



Employee Benefit Management Services, Inc.